

Spotlight – August 2009

ECONOMY, BUSINESS, FINANCE & TRADE

Disasters and Economic Welfare: Can National Savings Explain Post-Disaster Changes in Consumption? By Reinard Mechler. *World Bank*. July 1, 2009.

The debate on whether natural disasters cause significant macroeconomic impacts and hinder development is ongoing, most analyses have focused on impacts on GDP. The paper examines whether traditional and alternative national savings measures combined with adjustments for the destruction of capital stocks may contribute to better explaining post-disaster changes in welfare as measured by changes in consumption expenditure. [ARTICLE 606](#)

The Coming Entrepreneurship Boom by Dane Stangler. *Ewing Marion Kaufman Foundation*. June 2009.

Economists know that entrepreneurship will drive the economy back to health, but many people may be surprised to learn that the baby boom generation is behind the wheel, according to the study. It finds indications that the U.S. might be on the cusp of an entrepreneurship boom, not in spite of an aging population but because of it. [ARTICLE 607](#)

The Small Business Economy: a Report to the President 2009. *Small Business Administration*. July 2009.

The 2009 edition documents the 2008 recession's effects on small business as well as their role in the 2008 economy. The report includes chapters focusing on the state of small business with brief subsections on small business challenges such as health care and globalization, as well as contributions in job creation and innovation and financing. [ARTICLE 608](#)

U.S. Net Investment Position at Yearend 2008 by Christopher A. Gohrband and Elena L. Nguyen. *Bureau of Economic Analysis, U.S. Department of Commerce*. June 26, 2009.

The U.S. net international investment position at yearend 2008 was -\$3,469.2 billion, as the value of foreign investments in the U.S. continued to exceed the value of investments abroad. At yearend 2007, the net international investment position was -\$2,139.9 billion. The -\$1,329.3 billion change in the net investment position from 2007 to 2008 resulted from declines in the prices of U.S.-held foreign stocks that surpassed declines in the prices of foreign-held U.S. stocks, the depreciation of most major currencies against the U.S. dollar, and net foreign acquisitions of financial assets in the United States that exceeded net U.S. acquisitions of financial assets abroad. [ARTICLE 609](#)

High-Tech Immigrant Entrepreneurship in the U.S. by David M. Hart et al. *Office of Advocacy, Small Business Administration*. July 16, 2009.

Sixteen percent of high-impact, high-tech firms have at least one immigrant founder, according to the study. Although these firms are concentrated in states with large immigrant populations, in most other respects they resemble high-impact, high-tech firms founded by native-born entrepreneurs. [ARTICLE 610](#)

Global Reform and Personal Income Taxation, 1981-2005: Evidence from 189 Countries by Klara Sabirianova Peter et al. *Institute for the Study of Labor*. Web posted July 2009.

The paper uses a panel of 189 countries to describe the salient trends that have emerged in national personal income tax systems spanning from 1981 to 2005. Using complete national income tax schedules, it calculates actual average and marginal tax rates at different income levels as well as time-varying measures of structural progressivity and complexity of national tax systems. The report shows that frequent alterations of tax structures have reduced tax rates at higher levels of income and diminished the overall progressivity and complexity of national tax systems; the degree of this change varies considerably across countries. [ARTICLE 611](#)

Global Investment Promotion Benchmarking 2009: Summary Report. *World Bank*. July 2009.

The report finds that over 70% of government investment-promotion intermediaries miss out on investment and job-creating opportunities by failing to provide accurate and timely information to potential investors. It shows how effectively government agencies are promoting their countries to foreign investors. It examines the ability of 181 countries to influence foreign investors' site-selection process. [ARTICLE 612](#)